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BEFORE THE
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
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Mr. Chairman, thank you for the opportunity to appear here today to discuss conservation activities in the Great Lakes Basin. I would first like to state that I am very pleased that the U.S. Department of Agriculture (USDA) has been included in the Great Lakes Interagency Task Force announced by the President on May 18, 2004. The Task Force will be an excellent forum to exchange information about resource needs and share information about the Great Lakes. We, at USDA look forward to active participation on the Task Force.

Two years ago, we witnessed enactment of one of the most important pieces of conservation policy in the 2002 Farm Bill. The legislation responds to a broad range of emerging conservation challenges faced by farmers and ranchers, including soil erosion, wetlands conservation, wildlife habitat improvement, and farm and ranchland protection. Private landowners will benefit from a portfolio of voluntary assistance, including cost-share, land rental, incentive payments, and technical assistance. The Farm Bill places a strong emphasis on the conservation of working lands – ensuring that lands remain both healthy and productive.

The Farm Bill provided an increase of more than $17 billion in investment in conservation program funding for a range of programs including the Environmental Quality Incentives Program, Wildlife Habitat Incentives Program, Wetlands Reserve Program, and Farm and Ranch Lands Protection Program, just to name a few. For each of these initiatives, and many additional programs included in the Farm Bill Conservation Title, water quality benefits result from our work either directly or indirectly. Also, the Department's new Conservation Security Program's watershed approach will make many important contributions to water quality and ecosystem health in the Great Lakes Basin in the future.

Program Examples

An excellent example of a program that has positive effects on water quality in the Great Lakes Basin is the Environmental Quality Incentives Program (EQIP) . EQIP provides a voluntary conservation program for farmers and ranchers that promotes agricultural production and environmental quality as compatible national goals. EQIP offers financial and technical help to assist eligible participants install or implement structural and management practices on eligible agricultural land. Assistance in this program takes the form of a cost-share payment, and can include such diverse projects as implementation of nutrient management systems, installing cover crops and grassed waterways to reduce erosion and sedimentation, as well as improving water-use management. The program has increased in funding to a level of $975 million for the current Fiscal Year.

As an example of an innovative EQIP project in the Great Lakes Basin, the Keweenaw Bay Indian Community (KBIC) located on Lake Superior's Keweenaw Bay in Michigan's Upper Peninsula completed a USDA Tribal EQIP contract which funded a large arched culvert. The culvert now allows fish passage into Zeba Creeks 3.2 sq. mile upper watershed area. The eight foot tall aluminum culvert's installation was a product of collaboration by many partners and will allow the Tribe's stocked fish as well as the indigenous fish species access to Lake Superior, greatly enhancing the support fishery in Keweenaw Bay.

Great Lakes Provision of the Farm Bill

The 2002 Farm Bill included provisions for a Great Lakes Basin Program for Soil Erosion and Sediment Control. The legislative language called for the Secretary to coordinate with the Great Lakes Commission as well as the Administrator of the Environmental Protection Agency and the Secretary of the Army in carrying out sediment and erosion control activities.

Great Lakes Basin Program

Within funds appropriated for the NRCS Conservation Operations Account, the agency prioritizes funding, including direction provided by earmarks, to support Great Lakes conservation activities. Funding provided through this initiative is directed to support

planning and implementation of Best Management Practices (BMPs) in the Great Lakes Basin. The project is carried out in direct cooperation with the Great Lakes Commission. A ten year history of Conservation Operations funding support is outlined as follows:

FY'95	$250,000
FY'96	$710,000
FY'97	$710,000
FY'98	$710,000
FY'99	$500,000
FY'00	$600,000
FY'01	$725,000
FY'02	$1,250,000
FY'03	$2,500,000
FY'04	$2,500,000

In addition to supporting land conservation treatment methods, the program provides regional information and education to developers, contractors, homeowners and to the public. A competitive annual grants program is one of the program's biggest success stories. Basin Program demonstration grants have involved hundreds of community volunteers in watershed improvement projects.

Cooperative Efforts

The USDA Forest Service works closely with the USDA Natural Resources Conservation Service to provide high quality public service and land management throughout the Great Lakes watershed. Eight National Forests fall either wholly or partly within the Great Lakes watershed, totaling nearly 7 million acres, about 9% of the federally administered land in the basin. The Forest Service has strong cooperative programs throughout the Great Lakes states and the North Central and Northeastern Research Stations have robust

programs researching many physical, social, and economic aspects of natural resource management.

The Forest Service and NRCS are federal partners in the Lake Superior Binational Program (LSBP). The Forest Service manages four National Forests and over three million acres within the Lake Superior basin. The LSBP was signed into agreement by the Canadian and U.S. federal governments, the Province of Ontario and the States of Michigan, Minnesota, and Wisconsin. The LSBP works under the auspices of the 1978 Great Lakes Water Quality Agreement between Canada and the U.S. Invited to participate by the lead U.S. agency (Environmental Protection Agency) in the early 1990's, the Forest Service is an active partner in this endeavor. Activities include wildlife, fisheries, soil productivity, and water quality and watershed management.

Allocation of Funds

USDA does not specifically direct the use of NRCS program resources from National Headquarters. Instead, program allocations are made to State Conservationists, who, in turn, consult with their respective State Technical Committee and other local stakeholders to meet the priorities in that state. We term this method a locally-led approach to conservation program delivery. Since program funds are not distributed on a Regional or Basin-scale, it is difficult to quantify precise project dollars for the Great Lakes.

A program by program funding total for states adjacent to the Great Lakes is as follows:

Environmental Quality Incentives Program

State	FY 2004 Funding
Illinois	$16,729,200
Indiana	$11,599,400
Michigan	$17,463,300
Minnesota	$29,423,700
New York	$12,484,700
Ohio	$13,412,400
Pennsylvania	$11,853,900
Wisconsin	$18,960,500

Wildlife Habitat Incentives Program

State	FY 2004 Funding
Illinois	$525,000
Indiana	$525,000
Michigan	$525,000
Minnesota	$562,000
New York	$525,000
Ohio	$525,000
Pennsylvania	$300,000
Wisconsin	$628,000

Wetlands Reserve Program

State	FY 2004 Funding
Illinois	$20,175,500
Indiana	$12,140,000
Michigan	$9,340,000
Minnesota	$14,850,000
New York	$6,680,000
Ohio	$3,700,000
Pennsylvania	$267,000
Wisconsin	$6,360,000

Farm and Ranch Lands Protection Program

State	FY 2004 Funding
Illinois	$1,668,200
Indiana	$860,700
Michigan	$2,433,900
Minnesota	$860,600
New York	$2,863,900
Ohio	$2,679,600
Pennsylvania	$4,074,350
Wisconsin	$2,088,000

Assessing Our Gains

While we have excellent information about how our resources are distributed with respect to contract and project data, it is challenging for any natural resource agency to fully quantify the resource outcomes for those programs. As a result, NRCS has initiated the Conservation Effects Assessment Project (CEAP), which is being carried out by the NRCS along with several other federal agencies. The objective of this effort will be to directly attribute natural resource impacts on a program by program and project by project basis, which will, in turn, provide decision-makers with a scientific accounting of environmental benefits achieved through conservation programs.

As an example of this effort in the Great Lakes, there is an effort to address water quality problems through improving existing agricultural drainage management as part of a systems approach. This involves not only NRCS, but also the Agriculture Research Service , the Cooperative State Research Education and Extension Service, and scientists at several land grant universities. Specifically, drainage practices are being evaluated in some of the participating watersheds that have direct impact on the Great Lakes with an emphasis on nitrogen levels in the watersheds. State and local government agency scientists are working with USDA to support improving the quality of drainage waters using drainage water management systems in their respective locations. We are enthusiastic about this initiative and continue to build a coalition of industry, non-governmental organizations and others to support the effort.

Mr. Chairman, we know that the 2002 Farm Bill Conservation Programs are making important contributions to water quality improvements in the Great Lakes. It is more difficult to measure precise impacts. I know that we are making significant progress in this area, and look forward to continuing to improve our work in this area. I thank Members of the Subcommittee again for the opportunity to appear here today, and would be pleased to respond to any questions that Members of the Subcommittee might have.